

**TOWN OF PLATTEKILL, NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A - Summary of Significant Accounting Policies**

**1. The Reporting Entity**

The Town of Plattekill, New York (the “Town”), established in 1800, is governed by the laws of the State of New York (the “State”) and various local laws. The Town Board is the legislative body responsible for the overall operations; the Supervisor serves as the Chief Executive Officer and Chief Fiscal Officer.

The Town, for financial purposes, includes all of the funds relevant to the operations of the Town of Plattekill, New York. The financial statements include organizations, functions and activities that are controlled by or dependent upon the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. Under these criteria, no other entities are included in the Town’s financial statements.

The Town provides the following services: general government support, highway maintenance, police protection, planning, zoning, building and safety inspection, lighting, and culture and recreation.

The accounting policies of the Town conform to accounting required by the New York State Comptroller’s Office and described in the Uniform System of Accounts published by that office. It is a basis of accounting other than accounting principles generally accepted in the United States of America and more further explained in Note A2.

**2. Regulatory Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts, and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Under the Uniform System of Accounts prescribed by the New York State Comptroller’s Office all governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. However, grant revenues are recognized when the reimbursable expenditure is incurred. Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all consider to be susceptible to accrual and so have been recognized as revenue of the current period. Only the portion of special assessments receivable due within the current calendar period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are generally not accrued; and (2) principal and interest on non-current debt which is recognized when due; and (3) expenditures for most inventory-type items which are recognized at time of purchase.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**3. Fund Accounting**

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Town are grouped into two fund types, as follows:

**GOVERNMENTAL FUND TYPES**

The accounting and reporting treatment applied to assets and liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Highway Fund* is used to account for financial resources necessary to repair and maintain the roads within the Town.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by propriety funds. The principal source of financing is from the sale of bonds or bond anticipation notes.

The *Lighting Funds* are used to record operation and maintenance transactions related to the Town's lighting districts. Revenue are derived from special district assessments.

The *Drainage Funds* are used to record operation and maintenance transactions related to the Town's drainage districts. Revenue are derived from special district assessments.

**4. Schedules**

Included in this report are schedules which are used to establish accounting control and accountability for Non-current Assets and Non-current Liabilities. These schedules are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of the results of operations.

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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**4. Schedules (Continued)**

**Non-current Assets**

Non-current Assets includes real and personal property, otherwise known as “fixed assets” with an estimated useful of generally more than five years and an original cost of \$5,000. The Town depreciates its non-current assets.

**Non-current Liabilities**

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities until in the year due. Therefore, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Non-current Liabilities schedule. Such non-current liabilities include long term debt, compensated absences amounts due employees in the future, the Town’s proportionate share of the NYS Employee Retirement System net pension liability and post-employment benefits.

Deferred inflows related to the Town’s proportionate share of the NYS Employee Retirement System retirement liability are also considered non-current liabilities of the Town.

**5. Fund Balance Classification**

The following is a brief description of the five fund balance classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds:

**Nonspendable:**

Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.

**Restricted:**

Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation. The Town has classified \$30,810 as restricted for the veterans committee and parade.

Various New York State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves, the Town has classified the General reserve fund as restricted for the acquisition or improvement of building, equipment repairs and/or facilities in the amount of \$374,684.

**Committed:**

Amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision making authority (the Town Board) before the end of the fiscal year. The same level of formal action is required to remove the constraint.

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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**5. Fund Balance Classification (Continued)**

Assigned:

Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund and, in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned:

Represents the residual amount of fund balance in the General Fund. In funds other than the General Fund, this should only be used to report a deficit balance.

**6. Pervasiveness of Estimates**

The preparation of financials statements, in conformity with the basis of accounting required by the New York State Comptroller's Office and described in the Uniform System of Accounts published by that office, requires management to make estimates and assumptions that affect the reported amounts of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of other postemployment benefits, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

**7. Budgetary Data**

The Town's budget policies are as follows:

- a. No later than October 5<sup>th</sup>, the budget officer submits a tentative budget to the Town Board for the year commencing the following January 1. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
  - i. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20<sup>th</sup>.
  - ii. All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.
- b. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**8. Property Taxes**

Town and County taxes are levied annually on January 1, and become a lien on that date. Taxes are collected during the period January 1 to January 31 at face value and from February 1 to March 31 with interest added. The Town Receiver of Taxes collects all real estate taxes for Town and County purposes. The Town receiver distributes the collected tax money to the Town prior to distributing the remaining balance collected to the County on June 1. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County.

**TOWN OF PLATTEKILL, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**9. Cash and Investments**

The Town’s investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Chief Fiscal Officer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

**10. Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables recorded are expected to be collected within the subsequent fiscal year.

**11. Due To/From Other Funds**

See Note B for a schedule detailing the interfund balances.

**12. Inventories and Prepaid Items**

Purchases of inventory-type items are recorded as expenditures in the Governmental Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Governmental Funds.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

**13. Capital Assets**

Capital assets are reported at historical cost. The Town depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capital asset thresholds and estimated lives of assets reported are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and Improvements	\$5,000	25 - 40 Years
Machinery, Equipment and Vehicles	5,000	5 - 20 Years

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**14. Infrastructure**

Infrastructure is reported at historical costs and is depreciated using the straight-line method over the estimated useful lives.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	Capitalization Threshold	Estimated Useful Life
Roads and Infrastructure	\$5,000	20 Years

**15. Vested Employee Benefits**

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee may be entitled to payment of accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The provision to be made in future years' budgets for the repayment of these obligations is also recorded in the Non-Current Governmental Liabilities Account Group.

The Town's employees participate in the New York State Employees' Retirement System ("ERS") and the New York State Police and Fire Retirement System ("PFRS"). See Note D.

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and the required years of service while working for the Town. See Note VII.

**16. Worker's Compensation**

The Town has not recorded a liability for its share of the Ulster County Workers Compensation Fund as the Town's portion is a net asset at December 31, 2020. The Fund is a municipal risk sharing pool which administers and insures workers compensation claims for employees of all its participants.

**17. Unemployment Insurance**

Town employees are covered by unemployment insurance. The Town has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar for dollar reimbursement to the Unemployment Insurance Fund for benefits paid to former employees and charged to the Town's account. The Town is exempt from federal unemployment insurance tax.

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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**18. Deferred Compensation**

The Town, through the New York State Deferred Compensation Board, offers their employees a Deferred Compensation Plan (the “Plan”) created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not contribute to the Plan.

**19. Risk Retention**

The Town assumes the liability for most risks including, but not limited to, property damage and personal injury liability. The Town purchases commercial insurance to mitigate these risks, subject to certain deductibles. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**NOTE B - Interfund Activity**

Interfund receivables and payables at December 31, 2020 were as follow:

FUND	AMOUNT RECEIVABLE	AMOUNT PAYABLE
General	\$ 145,124	\$ (222,369)
Capital	66,678	(145,124)
Highway	155,691	-
<b>TOTALS</b>	<b>\$ 367,493</b>	<b>\$ (367,493)</b>

There were no interfund revenues or expenditures for the year ended December 31, 2020.

**NOTE C – Capital Assets**

Capital asset balances and activity for the year ended December 31, 2020 were as follows:

ASSETS	December 31, 2019	Adjustments	ADDITIONS	DISPOSALS	December 31, 2020
Land	\$ 927,072	\$ 97,971	\$ -	\$ -	\$ 1,025,043
Buildings	384,937	(1)	-	-	384,936
Improvements	919,135	-	-	-	919,135
Machinery & Equipment	2,308,432	37,020	35,113	(236,224)	2,144,341
Infrastructure	10,692,884	-	-	-	10,692,884
<b>Total</b>	<b>\$ 15,232,460</b>	<b>134,990</b>	<b>35,113</b>	<b>(236,224)</b>	<b>\$ 15,166,339</b>

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**NOTE C – Capital Assets**

<b>DEPRECIATION</b>	<b>December 31, 2019</b>	<b>Adjustments</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>December 31, 2020</b>
Buildings	\$ 251,822	\$ 799	\$ 9,625	\$ -	\$ 262,246
Improvements	726,061	1,283	17,948	-	745,292
Machinery & Equipment	1,667,237	544	137,662	(219,703)	1,585,740
Infrastructure	10,664,499	148	1,626	-	10,666,273
<b>Total</b>	<b>\$ 13,309,619</b>	<b>2,774</b>	<b>166,861</b>	<b>(219,703)</b>	<b>\$ 13,259,551</b>

**NOTE D – Long Term Debt**

The Town borrows money in order to acquire land or equipment, to construct buildings or to make public improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are backed by the full faith and credit of the Town. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities. The Town did not have any bonded debt outstanding at December 31, 2020.

Installment Purchase Contracts can be issued for the purpose of financing of equipment, machinery or apparatus, and shall not exceed the period of probable usefulness of the asset.

The following is a summary of the Town’s outstanding installment purchase contracts as of December 31, 2020:

<b>Purpose</b>	<b>Original Date of Issue</b>	<b>Original Borrowing</b>	<b>Current Interest Rate</b>	<b>Date of Maturity</b>	<b>Outstanding Principal 12/31/20</b>
2020 Police Car	01/24/20	\$ 44,824	6.90%	01/24/22	\$ 28,875
B&G vehicle	10/01/20	\$ 31,810	7.36%	10/01/22	\$ 20,444
		<u>\$ 76,634</u>			<u>\$ 49,319</u>

The annual requirements for installment purchase contracts as of December 31, 2020, are as follows:

<b>YEAR ENDING DECEMBER 31,</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2021	\$ 23,814	\$ 3,500	\$ 27,314
2022	25,505	1,810	27,314
<b>TOTAL</b>	<b>\$ 49,319</b>	<b>\$ 5,309</b>	<b>\$ 54,628</b>

**TOWN OF PLATTEKILL, NEW YORK  
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**NOTE D – Long Term Debt (Continued)**

Long-term liability balances and activity for the year are summarized below:

	<b>BALANCE</b>			<b>BALANCE</b>		<b>AMOUNTS</b>
	<b>DECEMBER 31</b>			<b>DECEMBER 31</b>		<b>DUE WITHIN</b>
	<u>2019</u>	<u>INCREASE (DECREASE)</u>		<u>2020</u>		<u>ONE YEAR</u>
Net Pension Liability -						
Proportionate Share	\$ 412,309	\$1,305,055	\$ -	\$ 1,717,364	\$ -	-
Total OPEB Liability	3,616,981	1,318,479	-	4,935,460	-	-
Installment Purchase	9,082	76,634	36,397	49,319	-	23,814
Compensated Absences	<u>106,249</u>	<u>16,287</u>	<u>-</u>	<u>122,536</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 4,144,621</u>	<u>\$2,716,455</u>	<u>\$ 36,397</u>	<u>\$ 6,824,679</u>	<u>\$ -</u>	<u>23,814</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Non-current Liabilities Schedule.

**NOTE E – Pension Plans**

Plan Description

The Town of Plattekill participates in the New York State and Local Employees' Retirement System (ERS), which is referred to collectively with the New York State and Local Police and Fire Retirement System (PFRS) as the 'System'. These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town of Plattekill also participates in the Public Employees'

Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**TOWN OF PLATTEKILL, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE E – Pension Plans (Continued)**

Funding Policy

The Systems are noncontributory except for Tier III, IV, V and VI employees who joined the New York State and Local Employees’ Retirement System after July 27, 1976, who contribute 3% to 6% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. An Eligible Tier III or IV member with ten or more years of membership, or ten years credited service, will not be required to contribute to the Retirement System. Tier V and VI members must continue to contribute throughout their employment.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

Plan Year Ended March 31:

	<u>ERS</u>	<u>PFRS</u>
2020	\$ 135,664	\$ 78,003
2019	\$ 131,966	\$ 65,736
2018	\$ 136,884	\$ 66,032

The Town's contributions made to the Systems were equal to 100 percent of the contributions required, whether paid in full or amortized, for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Town reported a liability of \$1,717,364 for its proportionate share of the net pension liability. This amount is recorded as a long-term liability due to the NYS Retirement System. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, as actuarially determined. This information was provided by the Employees’ Retirement System and the Police & Fire Retirement System in reports provided to the Town.

At December 31, 2020, the Town’s proportion of the Employees’ Retirement System and the Police & Fire Retirement System net pension liabilities were .0035686% and .0144509%, respectively. At December 31, 2019, the Town’s proportion of the Employees’ Retirement System and the Police & Fire Retirement System net pension liabilities were .0035817% and .0094531%, respectively.

For the year ended December 31, 2020, the Town recognized pension expense of \$569,066.

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**NOTE E – Pension Plans (Continued)**

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 107,049	\$ 12,937
Changes of Assumptions	85,048	16,430
Net difference between projected and actual earnings on pension plan investments	832,272	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	49,245	71,315
Town contributions subsequent to the measurement date	150,786	-
Total	<u>\$ 1,224,400</u>	<u>\$ 100,682</u>

\$150,786 reported as deferred outflows of resources related to pensions resulting from the Town’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year ended March 31:

2021	\$ 167,315
2022	228,847
2023	299,906
2024	250,398
2025	7,361

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**NOTE E – Pension Plans (Continued)**

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Inflation rate	2.5%	2.5%
Salary increases	4.2%	5.0%
Investment rate of return	6.8%	6.8%
Cost of living adjustments	1.3%	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2014.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each of the target asset allocation percentages and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of return of 7.0%.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below.

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	4.05%	36%
International Equity	6.15	14%
Private Equity	6.75	10%
Real Estate	4.95	10%
Absolute Return Strategies	3.25	2%
Opportunistic Portfolio	4.65	3%
Real Assets	5.95	3%
Bonds & Mortgages	0.75	17%
Cash	0.00	1%
Inflation-Indexed Bonds	0.50	4%
		<hr style="width: 100%; border: 1px solid black;"/> 100% <hr style="width: 100%; border: 1px solid black;"/>

**TOWN OF PLATTEKILL, NEW YORK  
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**NOTE E – Pension Plans (Continued)**

Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the Town’s proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (5.8%)</b>	<b>Current Discount (6.8%)</b>	<b>1% Increase (7.8%)</b>
Town's Proportionate Share of the ERS Net Pension Liability (Asset)	\$ 1,734,295	\$ 944,974	\$ 218,007
Town's Proportionate Share of the PFRS Net Pension Liability (Asset)	\$ 1,381,050	\$ 772,390	\$ 227,322

Pension plan fiduciary net position

The components of the current-year net pension liability of all employers as of March 31, 2020, were as follows:

	(Dollars in Thousands)		
	<b>Employees’ Retirement System</b>	<b>Police &amp; Fire Retirement System</b>	<b>Total</b>
Employers’ total pension asset/(liability)	\$ (194,596,261)	\$ (35,309,017)	\$(229,905,278)
Plan net position	168,115,682	29,964,080	198,079,762
Employers’ net pension asset/(liability)	\$ (26,480,579)	\$ (5,344,937)	\$ (31,825,516)
Ratio of Plan net position to the employers’ total pension asset/(liability)	86.39%	84.86%	86.16%

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**NOTE E- Other Postemployment Benefits**

Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts and human resource policies. The benefit levels, employee contributions and employer contributions are governed by the employee contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Town’s OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (ERS) as well as the provisions of the Town’s agreements with its employees. All full-time employees are eligible after 5 years of continued service.

Medical, including prescription drug, and dental benefits are offered to retirees on a Town-subsidized basis. Upon attaining age 65 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Town’s plan providing an additional layer of coverage. The Town does not reimburse Medicare Part B premiums for retirees.

The benefit terms are dependent on which contract covers each employee for contribution rates for new retirees are as follows:

Group	Provider Options	Years of Service		Town Contributions (Fixed)				Reimburse Part B Premium		
				Individual	Spouse	Individual and Children	Family	Individual	Spouse	Surviving Spouse
Full Time Employee	MVP	FT only	hired before 7/1/09	818.45	1,636.90	1,391.37	2,332.58	N	N	N
	MVP	FT only	hired after 7/1/09	818.45	1,636.90	1,391.37	2,332.58	N	N	N
Retirees		15+	age 62-65	818.45	1,636.90	1,391.37	2,332.58	N	N	N
	MVP	30+	age 55-65	818.45	1,636.90	1,391.37	2,332.58	N	N	N
Retirees	MVP GOLD	10 - 25+	over 65	430.45	430.45	N/A	N/A	N	N	N
Full Time Employee	CDPHP Dental	FT only	hired before 7/1/09	42.44	90.41	87.68	141.84	N	N	N
	CDPHP Dental	FT only	hired after 7/1/09	42.44	90.41	87.68	141.84	N	N	N

The Town’s contribution is equivalent to the portion of health insurance premiums paid that are allocated to retirees, estimated to be \$47,333 during the year ended December 31, 2020.

**TOWN OF PLATTEKILL, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE E- Other Postemployment Benefits (Continued)**

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by benefit terms:

Active employees	17
Retired	4
Total employees covered by benefit terms	21

Total OPEB Liability

The Town obtained an actuarial valuation report as of December 31, 2020. The liability for other postemployment benefits was measured as of December 31, 2020 and totaled \$4,935,460.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	3.00%
Projected Salary Increases, Including Wage Inflation	3.00%
Discount Rate	1.93%
Healthcare Cost Trend Rates	Ranging from 8.0 for Medical and dental for 2020, reduced incrementally to an ultimate rate of 5.0% after 7 years
Current Retiree's Share of Benefit Related Costs	None
Future Retiree's Share of Benefit Related Costs	None

- The discount rate was based on a review of the yield derived from the S&P AA Municipal Bond Index.
- Mortality Rates were based on the RP-2006 table MP-2020 projection.

**TOWN OF PLATTEKILL, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE E- Other Postemployment Benefits (Continued)**

Changes in the Total OPEB Liability during the year ended 12/31/20:

Prior Year Financial Statement reported	\$	3,616,981
Changes in Terms during Gap Year for valuation		103,673
Balance - Beginning		3,720,654
Changes for the Year:		
Service Cost		191,116
Interest		120,611
Changes of Benefit Terms		
Differences Between Expected and Actual Experier		(16,271)
Changes in Assumptions or Other Inputs		961,223
Benefit Payments		(41,873)
Net Changes		1,214,806
Balance - Ending	\$	4,935,460

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate.

Sensitivity of the total OPEB Liability to Changes in the Discount Rate:

	1% Decrease	Discount Rate	1% Increase
	0.93%	1.93%	2.93%
Total OPEB Liability	\$ 5,658,176	\$ 4,935,460	\$ 4,212,745

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trends:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	7% decreasing to 4%	8% decreasing to 5%	9% decreasing to 6%
Total OPEB Liability	\$ 3,994,400	\$ 4,935,460	\$ 6,102,538

**TOWN OF PLATTEKILL, NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE E- Other Postemployment Benefits (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the Town recognized OPEB expense of \$409,102. At December 31, 2020, the Town reported the following deferred outflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 25,918	\$ 14,644
Changes of Assumptions or other inputs	865,101	-
Net difference between projected and actual earnings of OPEB plan investments	-	-
Total	\$ 891,019	\$ 14,644

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020. Other amounts recognized in the deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

For Year Ending December 31,	Amount
2021	\$ 97,375
2022	97,375
2023	97,375
2024	97,375
2025	97,375
2026-2029	389,500
	\$ 876,375

**TOWN OF PLATTEKILL, NEW YORK  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE F- Property Tax Abatements**

The Town has 1 real property tax abatement agreement entered into by the Town under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law, Title I of Article 18-A of NYS GML Exemption Policy. In accordance with these provisions, the Town of Plattekill & the Ulster County IDA grant PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

The following provides information related to the PILOT agreement in effect for the year ended December 31, 2020:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
01/01/10	Tee Bar Corp. (Rocking Horse Ranch)	594,100	0.38%	\$ 1,136	\$ 1,136

**NOTE G -Contingencies**

Grant Funding

The Town has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the Town administration believes disallowances, if any, will be immaterial.

Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable.

Judgments and Claims

A few claims against the Town are presently pending for zoning issues and other miscellaneous matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town.

**NOTE H - Subsequent Events**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 30, 2021.

**TOWN OF PLATTEKILL, NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE I – New Reporting Standards**

In March 2020, the New York State Office of the State Comptroller issued the bulletin Accounting and Financial Reporting for Fiduciary Activities as Required by GASB Statement 84. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town was required to implement this standard for the year ending December 31, 2020. The financial statements include this required reporting.

GASB has issued Statements 89 through 97 none of which are expected to have any substantive effects on the Town's financial position.

**NOTE J – Uncertainty**

In March 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Town as of April 29, 2021, management believes that a material impact on the Town's financial position and results of future operations is reasonably possible.